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20 June 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Balthasar Case Reporting Concerned with Soviet Nuclear Developments (in Support of the Felfe Operations)

1. At the request of SB/CI/K, SB/S/RR looked into the positive intelligence contribution relative to Soviet nuclear development of reporting supplied from the Balthasar Case, which was a support mechanism for Felfe operations during the period of mid-1952 through fall of 1955. The highlight of this reporting was a uranium ore sample, reportedly ready for shipment to the USSR, which was obtained from an East German uranium processing plant near Dresden. Other Balthasar Case reporting on this subject was concerned with train counts for ore shipments moving from East Germany to the USSR. Questions raised by SB/CI/K were a) how unique this information was, and b) how great its contribution was to overall U.S. estimates of the level of Soviet nuclear development.

2. In pursuit of answers to the above questions, a conversation was held with the consumer analyst who, during the 1950's and early 1960's, was responsible for the topic of Soviet procurement and production of uranium ore and concentrates: [] [] DD/S&T/OSI/ Nuclear Energy Division. [] [] commented that the questions put to him today reminded him of a debriefing he went through sometime in 1961-1962 with representatives of the D/P (at the time the entire Felfe case was evaluated). He recalled that at that time he wrote a memorandum to the effect that the particular (Balthasar) ore sample played a negligible role in the Community's evaluation of Soviet uranium procurement or overall nuclear developments. SB/S/RR has not seen the OSI memorandum, but assumes it must be a part of the official Felfe case files.

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3. Apparently the Balthasar ore sample was not a unique acquisition, nor could it have had a significant impact on data analyzed for purposes of national estimates. There were, as of the early 1950's, two uranium processing plants near Dresden: Object 95 and Object 96. Between 1951 and 1955, at least 30 ore samples in various stages of processing were obtained by the U.S. from these two plants, at least six of which reached us via British liaison. (The total count of East German ore samples acquired from all plants and installations would go up into the hundreds.) During the same period, in the category of concentrates only -- as end products ready for shipment -- at least 10 samples were obtained from Objects 95 and 96. Four concentrate samples were even lifted from a freight car en route to Brest -- although the shipper was not Object 95 or 96. Thus, no one sample was used by the Intelligence Community as a determining factor in reaching conclusions on quality (or richness) of uranium ore being shipped from East Germany to the USSR.

4. Technical analyses of ore concentrate samples combined, later, with an analysis of an air burst yield and data on electric power available to isotope separation plants in the USSR all were factors considered in estimating the grade of Soviet uranium production. As for the quality of the Satellite-import contribution, it was estimated during the 1950's at 0.03 percent to 0.3 percent U₃O₈. Just for the record, we should add that this estimate remained fairly constant until it was raised slightly in 1957-1958 based on information obtained following the 1956 defection of Kazakov. Analyses of East German concentrates in the 1951-1955 period ranged everywhere from a ridiculous high of 75 percent down to 0.0 percent; somewhere on this scale was the one Balthasar sample. But in the overall picture, its actual content is inconsequential.

5. During the same period there was considerable reporting from Balthasar on rail shipments of uranium ore from East Germany to the USSR. Most was double-checked against copies of RR bills of lading and freight shipment numbers available from other sources. In the course of

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analysis, much information was confirmed or rejected on the basis of NIGAL material. Thus, the role played by Balthasar reporting in this field was neither unique nor particularly significant for Community analysis.

6. In summary, it is probably safe to say that Community analysis of Soviet nuclear developments for the period 1951-1955 would have been the same had we not had the Balthasar reporting.

Chief, SB/RR

KC:OM:vt

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